

Financial Results Presentation

Q1 FY16: Quarter ended 30 June 2015

13 August 2015 • Chua Sock Koong, Group CEO

Singtel



Forward looking statement – important note

The following presentation contains forward looking statements by the management of Singapore Telecommunications Limited ("Singtel"), relating to financial trends for future periods, compared to the results for previous periods.

Some of the statements contained in this presentation that are not historical facts are statements of future expectations with respect to the financial conditions, results of operations and businesses, and related plans and objectives. Forward looking information is based on management's current views and assumptions including, but not limited to, prevailing economic and market conditions. These statements involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those in the statements as originally made. Such statements are not, and should not be construed as a representation as to future performance of Singtel. In particular, such targets should not be regarded as a forecast or projection of future performance of Singtel. It should be noted that the actual performance of Singtel may vary significantly from such targets.

“S\$” means Singapore dollars and "A\$" means Australian dollars unless otherwise indicated. Any discrepancies between individual amounts and totals are due to rounding.



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Q1FY16: Strong earnings growth from core business and associates' contributions

Q1FY16	% change (reported)	% change (constant currency) ¹	Highlights
Operating revenue S\$4,209m	+2%	+8%	<ul style="list-style-type: none"> › Growth in mobile data services › Higher postpaid & prepaid ARPU in Australia › Increased revenue from digital services
EBITDA S\$1,241m	-1%	+5%	<ul style="list-style-type: none"> › Strong EBITDA growth impacted by A\$ decline
Regional Mobile Associates' pre-tax earnings² S\$625m	+5%	+6%	<ul style="list-style-type: none"> › Customer growth & robust mobile data take-up
Underlying net profit S\$895m	+2%	+5%	<ul style="list-style-type: none"> › Strong core performance and associates' contributions › Earnings impacted by foreign currency movements
Net profit S\$942m	+13%	+16%	<ul style="list-style-type: none"> › One-off divestment gains
Free cash flow S\$974m	-18%	N.M.	<ul style="list-style-type: none"> › Higher cash taxes and working capital in Australia › Receipt of ~S\$110m from OpenNet last year³






1. Assuming constant exchange rates from corresponding periods in FY2015.

N.M. – not meaningful.

2. Exclude exceptional items.

3. Excluding OpenNet receipt in Q1FY15, cash flows from Singapore operations increased 2%.

Foreign exchange movements

Currency	Quarter ended 30 June 2015		
	Exchange rate ¹	Increase/ (decrease) against S\$	
		YoY	QoQ
1 AUD ² 	1.0446	(10.6%)	(2.0%)
IDR 	9,804	(5.9%)	(3.9%)
INR 	47.2	1.3%	(2.8%)
PHP 	33.2	5.7%	(1.2%)
THB 	24.8	4.2%	(3.3%)

1. Average exchange rates for the quarter ended 30 June 2015.

2. Average A\$ rate for translation of Optus' operating revenue.

Group Q1FY16 highlights

Group

- › SG: Won Asia Pacific LTE Service Provider of the Year award¹

Consumer

- › SG: Singtel TV now carries 175 channels
- › AU: “Cash by Optus” won Best Mobile Solution award²
- › AU: Optus TV customer base nearly doubled since January



Group

- › Strengthened market leadership in Asia Pacific IPVPN market and launched SDN WAN³ solutions

Enterprise

- › Accelerated momentum in Cyber Security & Enterprise Cloud services
- › Successful deployment of enterprise cloud infrastructure and services to support the SEA Games



CYBER SECURITY



28th SEA GAMES

Group

- › Amobee leverages Brand Intelligence to acquire new customers

Digital Life

- › HOOQ is now available in the Philippines, Thailand and India

[a•mo•bee]
Brand Intelligence



1. Awarded by Frost & Sullivan

2. Awarded by ACOMM

3. Software-defined Wide Area Network

Q1FY16: Net profit grew 13%

	3 months to				
	Jun 15	Jun 14	Mar 15	YoY %	QoQ %
Operating revenue	4,209	4,148	4,339	1.5%	(3.0%)
EBITDA	1,241	1,254	1,274	(1.0%)	(2.6%)
- margin	29.5%	30.2%	29.4%		
Associates pre-tax earnings ¹	665	622	656	7.0%	1.4%
EBITDA & share of associates' pre-tax earnings	1,907	1,876	1,920	1.6%	(0.7%)
Depreciation & amortisation	(535)	(533)	(543)	0.5%	(1.3%)
Net finance expense	(58)	(52)	(52)	11.6%	11.4%
Profit before EI and tax	1,314	1,292	1,325	1.7%	(0.9%)
Tax	(419)	(410)	(377)	2.3%	11.1%
Underlying net profit	895	881	950	1.6%	(5.7%)
Exceptional Items (post tax)	47	(46)	(11)	N.M	N.M
Net profit	942	835	939	12.8%	0.3%

1. Excluding exceptionals.

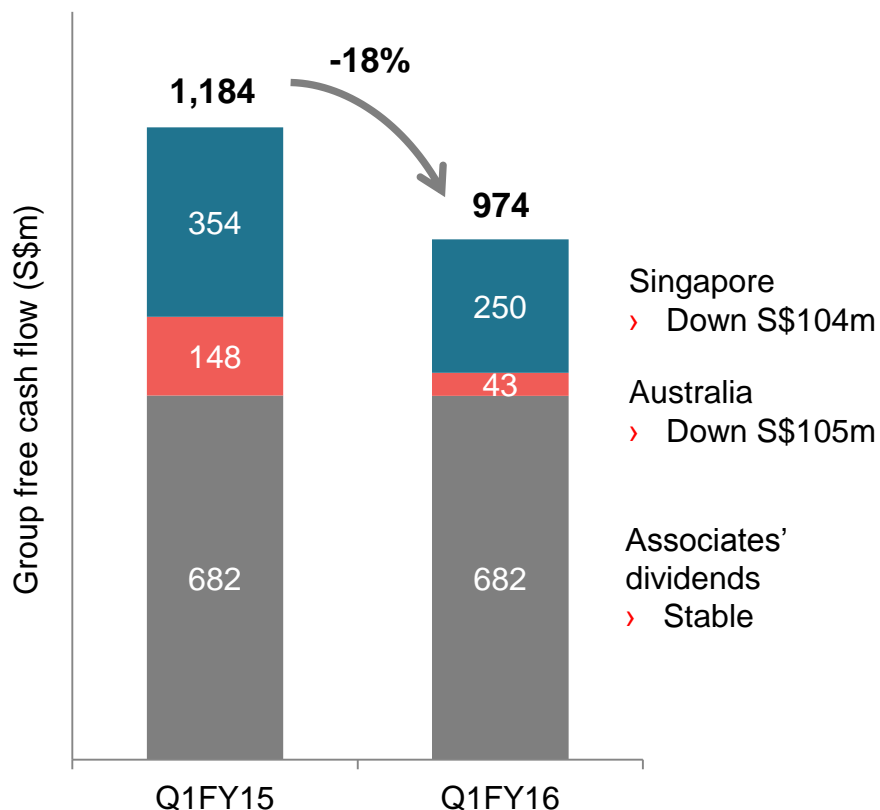
2. N.M – Not meaningful

Solid financial position

Free cash flow

\$974m

Balance sheet



Net debt¹ **S\$7.0b**

Net debt gearing² **21.6%**

Net debt: EBITDA & share of associates' pre-tax profits³ **0.9x**

EBITDA & share of associates' pre-tax profits: Net interest expense **28.3x**

S&P's rating **A+** **Moody's rating** **Aa3**

1. Net debt is defined as gross debt less cash and bank balances adjusted for related hedging balances.

2. Net debt gearing ratio is defined as the ratio of net debt to net capitalisation. Net capitalisation is the aggregate of net debt, shareholders' funds and minority interests.

3. Net debt to EBITDA and share of associates' pre-tax profits is calculated on an annualised basis.



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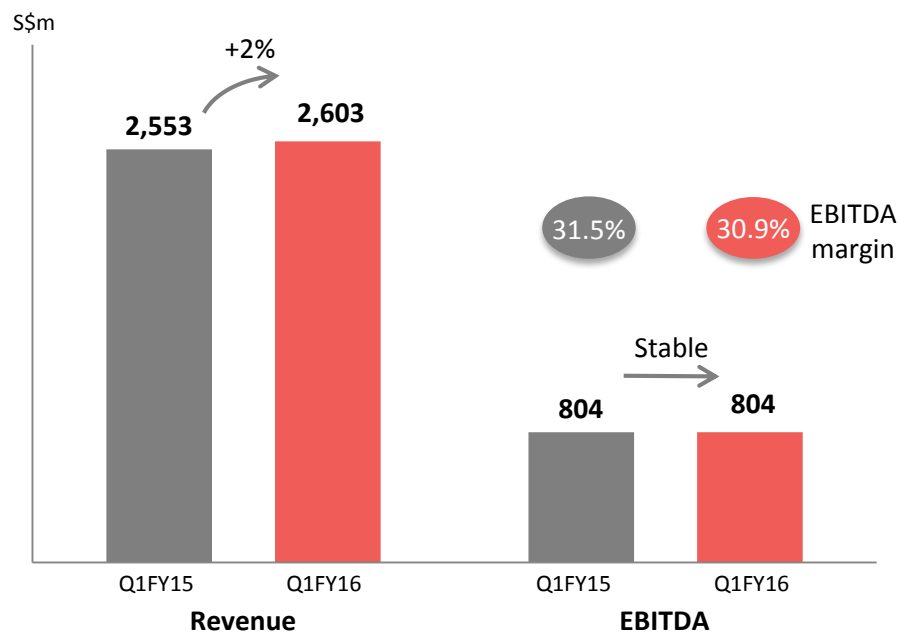
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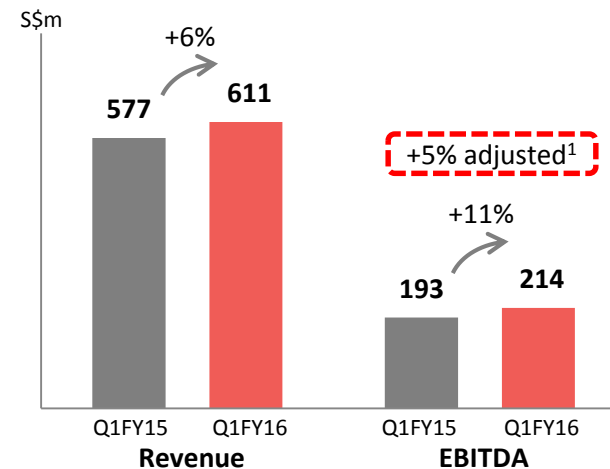
Group Consumer: Strong performance

Consumer

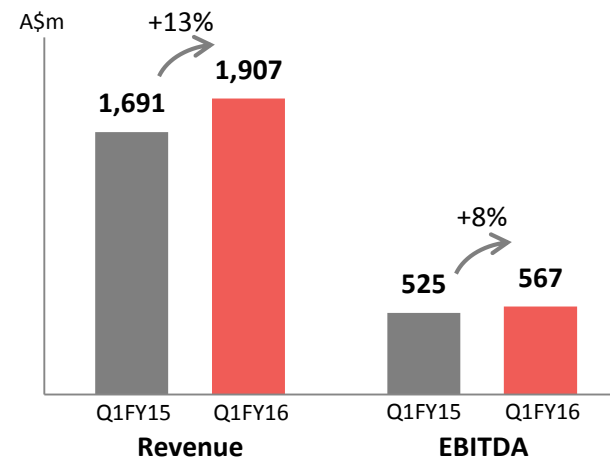


- › Strong revenue growth driven by equipment sales and mobile data
- › Australia revenue lifted by higher mobile ARPU and growth in postpaid handset customers
- › In constant currency terms, revenue and EBITDA increased 11% and 9% respectively

Singapore



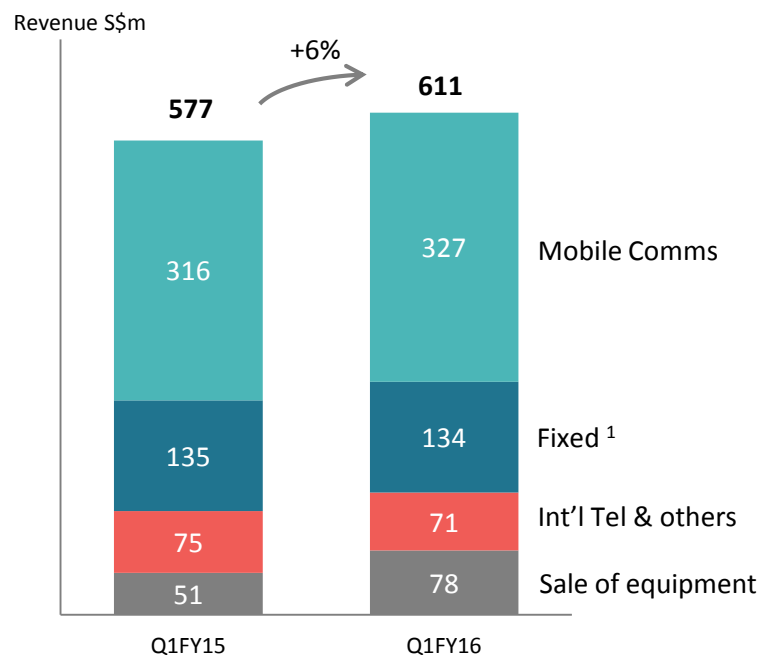
Australia



1. Adjusted to exclude: (a) S\$5 million 2014 FIFA World Cup losses (Jun 2014), and (b) S\$5 million one-off revenue (Jun 2015)

Singapore Consumer: Mobile communications revenue up 4% on mobile data growth

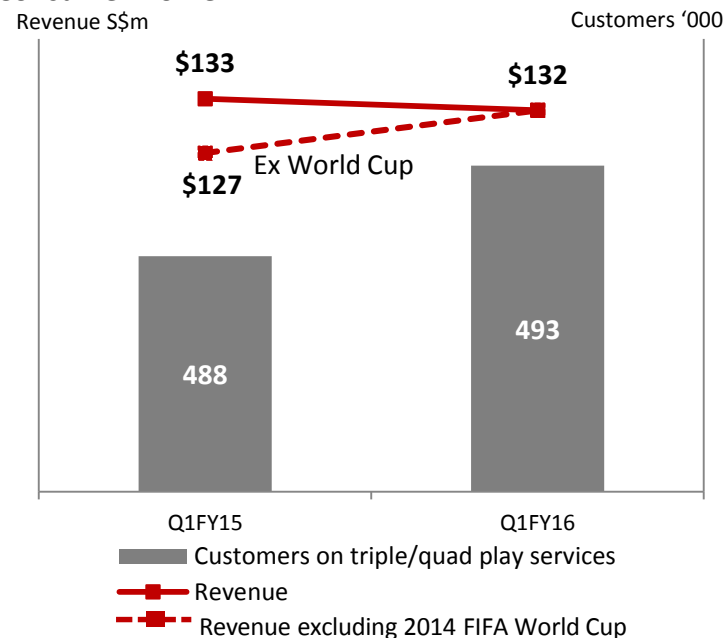
Singapore Consumer



Mobile Communications revenue up 4%²

- › Robust growth in data revenues
- › 26,000 data-centric prepaid tourist SIMs sold since April launch
- › Lower roaming, voice & SMS

Consumer Home



Home revenue stable

- › Ex World Cup, up 4% on fibre migration and higher value content packages

Household ARPU rose 1% to \$61

- › Ex World Cup, up 5%

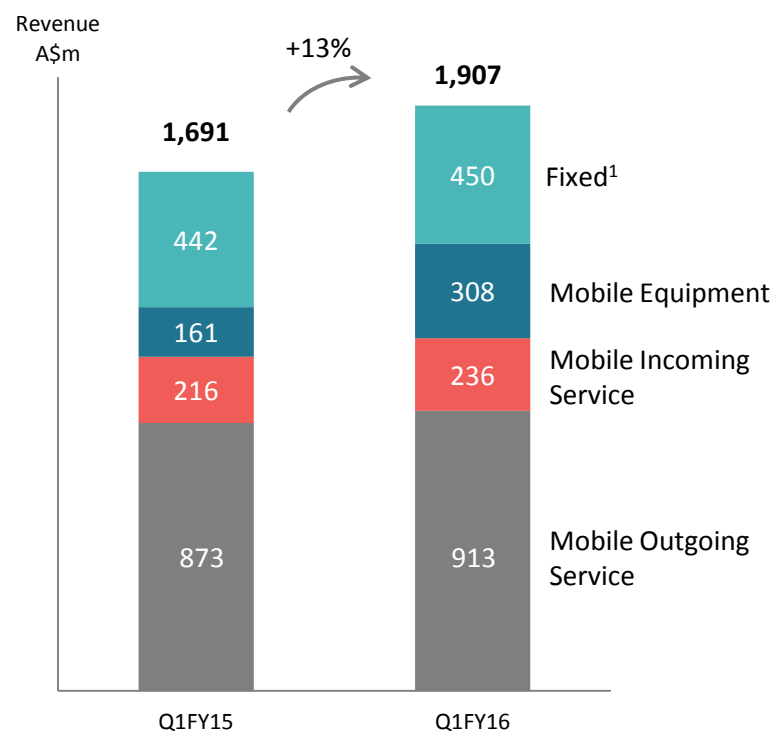
Continued fibre migration

- › 78% of BB customers on fibre as at June 2015

1. Fixed services revenue comprises internet, national telephone, payphone and Singtel TV.
 2. Overall Singapore mobile communications revenue up 2% (see supplementary information on page 17 for more details).
 3. Households who subscribe to 3 or 4 services comprising Broadband, TV, Fixed Voice and Mobile

Australia Consumer: Sustained revenue and EBITDA growth

Australia Consumer



- › **Mobile service revenue up 6%**
- › **Mass market fixed revenue grew 3%**

Outgoing mobile service revenue up 5%

- › 37k net adds in postpaid mobile handsets
- › Blended handset ARPU up 4%
- › Data revenues up 21%

Accelerating NBN customer growth

- › 18k broadband net adds

EBITDA up 8%

- › Strong mobile service revenue growth
- › Increased take-up of DRP² and higher-tier plans

Greater depth and reach of 4G coverage

- › 2,400³ metro and regional sites turned on 700MHz since 1 Jan
- › Close to 90% national population coverage

1. Include mass market and wholesale

2. Device Repayment Plans.

3. As at 31 July 2015; includes In-Building Coverage sites

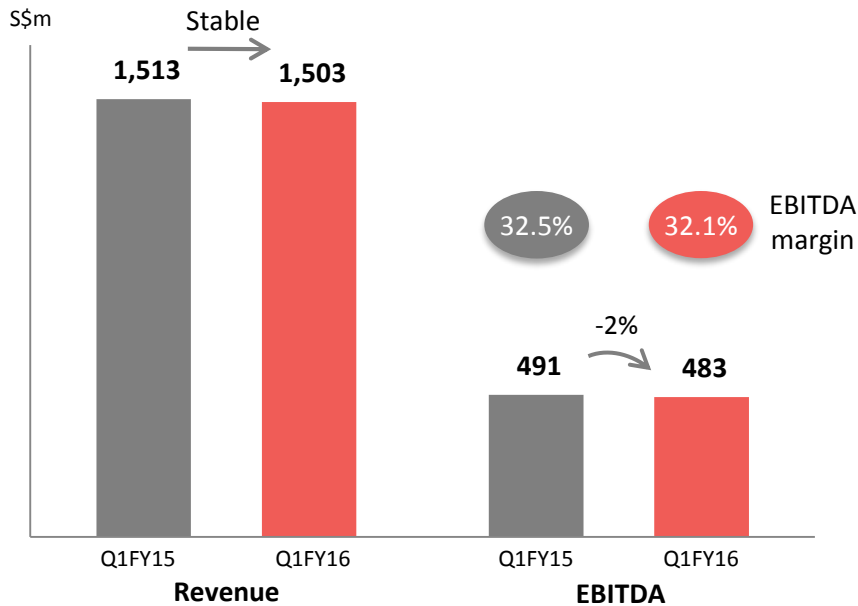
Regional Mobile Associates: Customer and data growth

Q1FY16	PBT ¹ (S\$m)	% Change (S\$)	% Change (local currency)	Highlights
Regional Mobile	625	+5%	-	<ul style="list-style-type: none"> › Strong growth in mobile data services › Customer base up 8% to 552m
Telkomsel	249	+12%	+18%	<ul style="list-style-type: none"> › Robust growth across voice, data and digital businesses
Airtel	168	-12%	-13%	<ul style="list-style-type: none"> › Strong operating momentum in India › Adverse currency movements in Africa › Higher net finance costs and fair value losses
AIS	116	+21%	+16%	<ul style="list-style-type: none"> › Service revenue growth and regulatory costs savings › 3G handset penetration increased to 62% of customer base
Globe	92	+9%	+3%	<ul style="list-style-type: none"> › Increased revenue and customer market share

1. Exclude exceptional items.

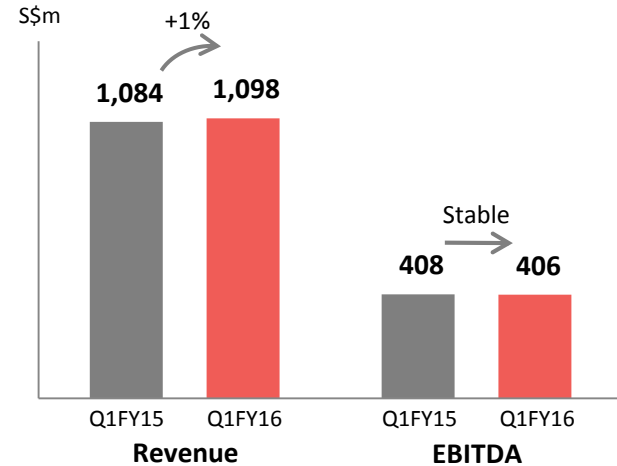
Group Enterprise: Strong leadership in core carriage

Group Enterprise (ex fibre rollout & maintenance)

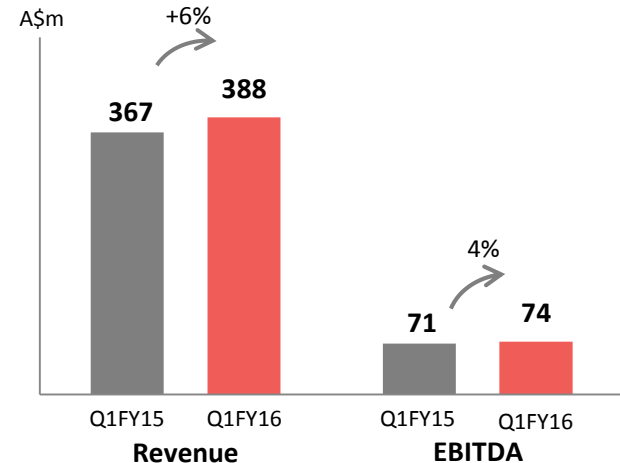


- › Solid core carriage revenue growth in Singapore
- › Strong growth in Australia ICT and mobile businesses
- › In constant currency terms, revenue grew 3% and EBITDA was stable

Singapore

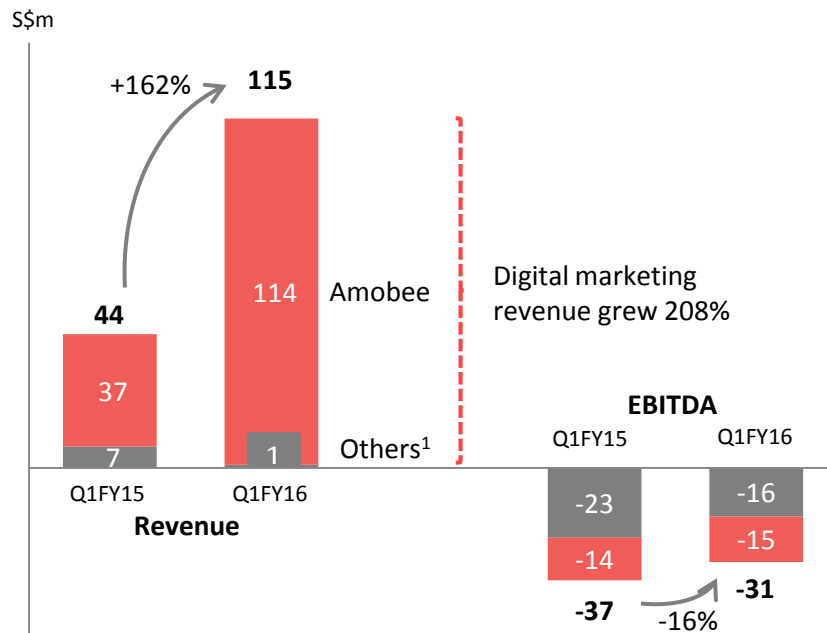


Australia



Group Digital Life: Building scale and operating leverage

Group Digital Life



- › Amobee's acquisition of Adconion and Kontera in July 2014
- › Growth in social and video advertising revenue
- › Improved EBITDA due to revenue growth and business rationalisation

Amobee

› Key Customer Acquisitions:



HOOQ

› now available in 3 markets



Philippines



Thailand



India

DataSpark

› Named 20 Most Promising GIS Solution Providers



1. Include revenues from HOOQ and DataSpark

A man and a woman are seated at a table in a meeting. The woman, on the right, is smiling broadly and gesturing with her hands. The man, on the left, is looking towards her with a slight smile. They are in a well-lit room with a lamp visible on the left. A large red circular graphic is overlaid on the bottom left of the image.

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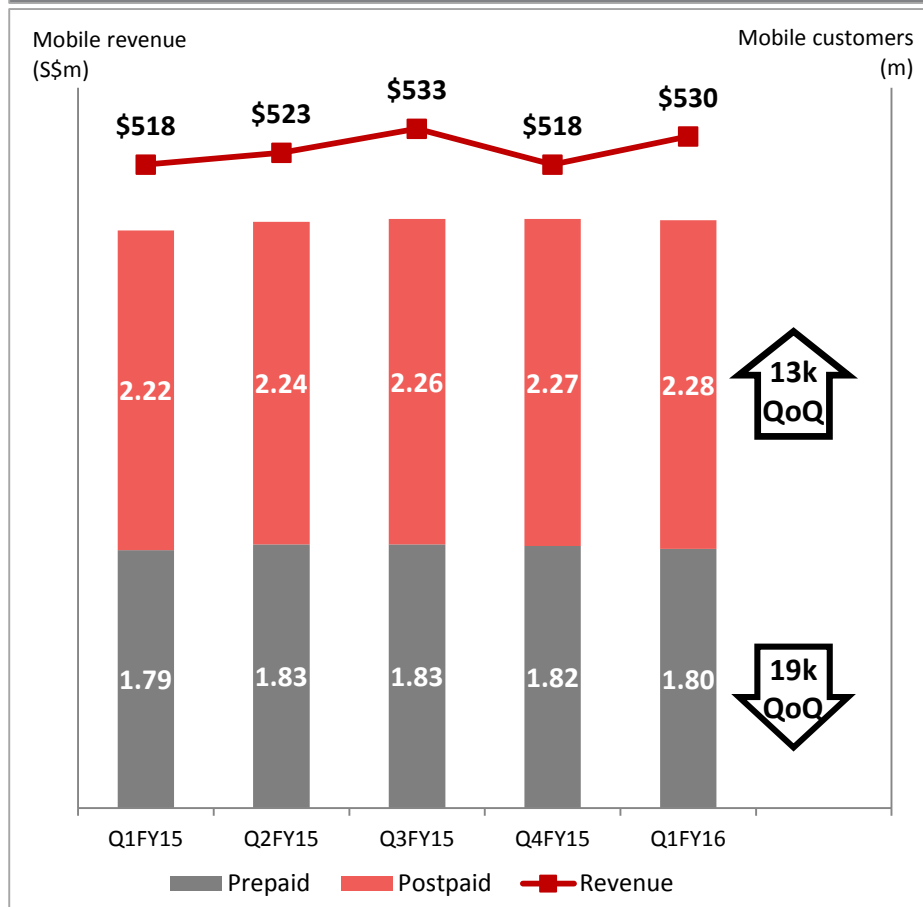
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Singapore Mobile

Mobile Communications revenue up 2% S\$530m



4G customers up 134k QoQ 2,007k

Tiered data plans

- > Postpaid customers on tiered plans ¹ **62%**
- > Tiered plans customers who exceed data bundles **22%**

Postpaid ARPU down 2% S\$74

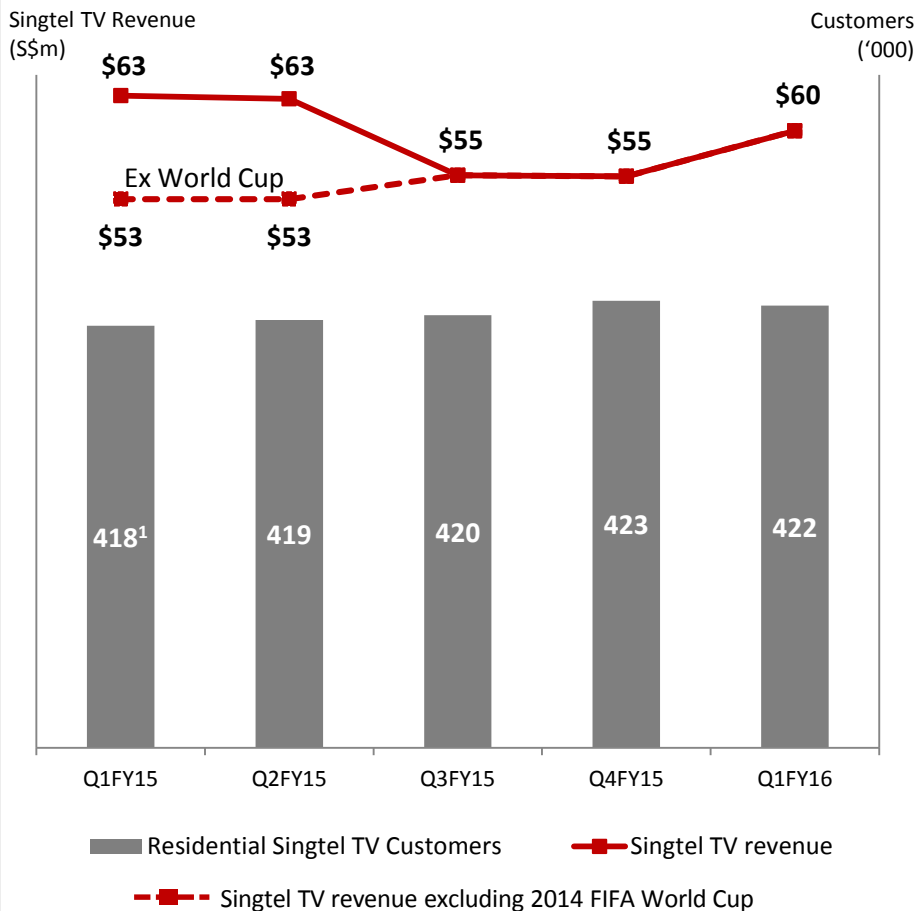
- > Mainly from lower roaming
- > Stable, excluding data-only SIMs and mobile share plans²

Postpaid SAC³ up 14% S\$435

1. If excluding data-only SIMs, 75% of postpaid customers were on tiered plans.
 2. Data-only SIMs refer to wireless broadband plans excluding voice. Mobile share plans refer to supplementary lines which share data, voice & text allowances of postpaid plans.
 3. Blended acquisition and retention cost per postpaid customer.

Singapore Fixed

Singtel TV revenue down 6% S\$60m



Singtel TV ARPU **S\$40**

- > Down 3%
- > Up 7% excluding World Cup

Singtel TV churn **1.1%**

- > Improved from 1.4%

Fibre customers² **440k**

- > Up 22k QoQ

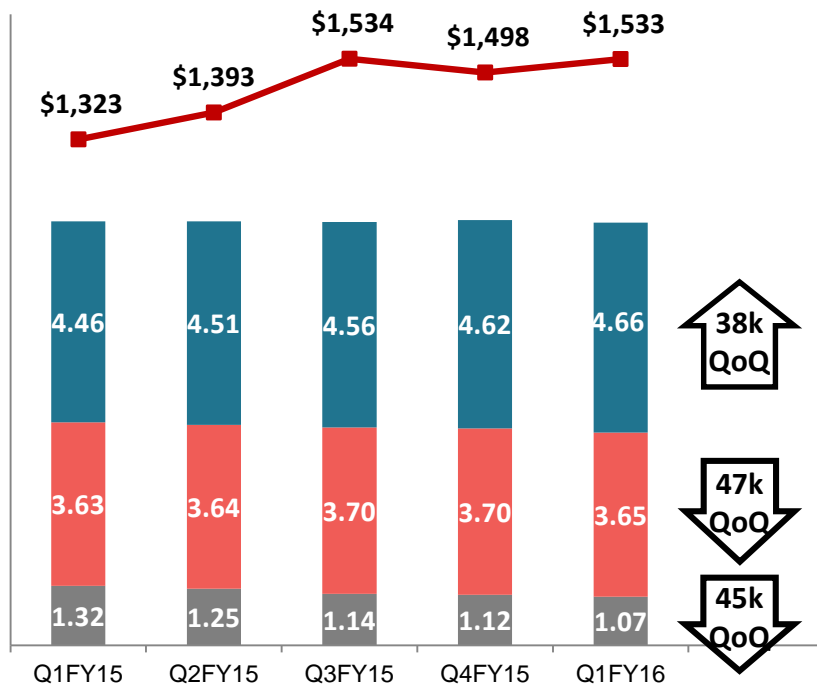
1. Exclude 19k cross-carriage customers who subscribed to 2014 FIFA World Cup only.

2. Refers to residential and corporate subscriptions to broadband internet services using optical fibre networks.

Australia Mobile

Mobile revenue up 16% A\$1,533m

Mobile revenue (A\$m) Mobile customers (m)



Mobile BB
 Prepaid Handset
 Postpaid Handset
 Mobile Revenue

4G customers¹ up 290k QoQ 3,817K

> 41% penetration

Postpaid

> Handset ARPU **A\$59**

- up 1%

> Churn **1.4%**

- stable

Prepaid

> Handset ARPU **A\$28**

- up 9%

1. Defined as 4G handsets on the Optus network

Trends in constant currency terms¹

3 months to Jun 15	Q1FY16 (reported S\$m)	YoY % change (reported S\$)	YoY % change (at constant FX) ¹
Group revenue	4,209	1.5%	8.3%
Group reported NPAT	942	12.8%	15.9%
Group underlying NPAT	895	1.6%	4.6%
Optus revenue	2,397	(0.5%)	11.3%
Regional Mobile Associates pre-tax earnings ²	625	5.2%	5.6%

1. Assuming constant exchange rates from corresponding periods in FY2015.

2. Based on the Group's share of associates' earnings before exceptionals.



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